

The complaint

Mrs D complains about Aviva Insurance Limited (Aviva) under her home emergency policy, about how Aviva responded to a leak at a property she owned and rented out.

References to Aviva include their agents who provide services and deal with claims under the policy.

Mrs D was supported by a representative when making her complaint. References to Mrs D include her representative.

What happened

In September 2021 Mrs D contacted Aviva to report a leaking pipe under the kitchen floor at her property. Aviva agent an engineer to inspect the property. When the engineer attended, he found water on the path side of the property and concluded it was a water supply issue. A second, water supply engineer attended and turned off the stopcock inside the property and as the water meter stopped moving, concluded it was an issue with surface or spring water (or water coming from another property's supply). As such, Aviva told Mrs D the issue was with the external water supply, so should contact the water supply company.

Mrs D then engaged her own surveyor and builders, who began excavating the following month. They concluded the issue was a leaking pipe under the kitchen floor. Mrs D contacted Aviva, who agreed to send an engineer to meet Mrs D's builder. An engineer attended and fixed the leaking pipe.

Mrs D was unhappy that the leaking pipe hadn't been diagnosed in either of the first two visits by Aviva's engineers and it wasn't until she engaged her own surveyor and builder that the leaking pipe was diagnosed and fixed. She was also unhappy at incurring £2,190 in costs for her surveyor and builder. So, Mrs D complained to Aviva.

Aviva upheld the complaint. In their final response, Aviva acknowledged Mrs D had been given incorrect advice that the leak was external to the property (and so fell under the water supply company's responsibility). Whereas the leak was under the kitchen floor and so was within the property and covered by the policy. Aviva apologised to Mrs D and offered £150 in compensation. But they didn't agree to reimburse Mrs D for the costs she'd incurred, as they hadn't authorised the costs in advance (as the policy required).

Unhappy at Aviva's final response, Mrs D complained to this service. The main point of her complaint was that she'd incurred costs of £2,190 when she thought Aviva should have diagnosed (and fixed) the leaking pipe under the kitchen floor during the first or second visits by their engineers. She wanted compensation from Aviva for the costs she'd incurred.

Our investigator upheld the complaint, concluding Aviva hadn't acted fairly. She thought that had Aviva identified the leak as coming from under the kitchen floor at the outset, and not told her it was external (which wouldn't be covered under the policy) Mrs D wouldn't have needed to engage her own surveyor and builder (and incurred the costs). However, the investigator noted Mrs D said the costs had

subsequently been reimbursed under her home insurance policy – although she'd had to pay a £250 excess as she'd made a claim under the policy.

Given this, the investigator thought Aviva should pay Mrs D the £250 excess. The investigator also thought Aviva should compensate Mrs D for the likely increase in premiums because she'd made a claim. While it wasn't possible to determine whether an increase in premiums would arise (or the size of any such increase) she thought £200 would be a reasonable contribution to any such increases. Both sums would be in addition to the £150 compensation offered by Aviva (so making a total of £600).

Aviva disagreed with the investigator's conclusions and requested an ombudsman review the complaint. They said where a leak was coming from an unknown source, it could take several visits to determine its cause. They maintained the first and second visits had indicated an external issue (the first visit) but the [external] water supply pipe wasn't subsequently found to be the issue (the second visit). They then advised Mrs D to contact the water supply company, who attended and confirmed it wasn't a water supply issue. At that point, Aviva thought Mrs D could have contacted them to ask for further investigation (rather than engaging her own surveyor and builder). Aviva said they didn't advise her to do this (nor authorised it). So, Aviva didn't agree that any costs associated with Mrs D engaging the surveyor and builder were their (Aviva's) responsibility – including any increases in the home insurance premiums.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

My role here is to decide whether Aviva has acted fairly towards Mrs D.

The key issue in Mrs D's complaint is that Aviva didn't identify the leak as coming from under the kitchen floor in two visits, only fixing the leak once Mrs D's builder had attended and started work. Mrs D says Aviva should have identified the leak correctly on the first or second visit. Also, as they told her the issue wasn't covered under her home emergency policy, she had to engage her own surveyor and builder (which then led to the leak being correctly identified and fixed).

For their part, Aviva say that leaks can take more than one visit to be correctly identified, and once the water company had confirmed the issue wasn't from the external water supply, Mrs D could have contacted them for further investigation (rather than engaging her own surveyor and builder). As such, they hadn't advised her to engage her own surveyor or builder (not authorised the associated costs). As such, they can't be held responsible for the costs (nor any associated costs of her making a claim under her home insurance policy).

I've considered both views carefully, together with the supporting evidence and information. Based on this, on balance, I don't agree with Aviva's view, for the reasons I'll set out.

Looking at what happened, when Mrs D first contacted Aviva to report the leak, she told them water was coming up through the kitchen floor (which Aviva acknowledge) and it was leaking outside. While I accept the source of leaks can be difficult to determine accurately, I think this should have indicated the likely cause of the leak. I've also noted Aviva's final response accepts Mrs D was given incorrect advice that the leak was external (and so the responsibility of the water company). While I haven't seen any clear evidence that Aviva told Mrs D this meant the leak wasn't covered under the policy, I don't think it was unreasonable for her to have thought this, as she was being told to contact the water supply company.

In the circumstances, given the leak was ongoing, and two visits from Aviva's engineers indicated the issue was external to the property (and so not their responsibility) I think it was reasonable for Mrs D to engage her own surveyor and builder, who were then able to determine the leak was coming from under the kitchen floor (as Mrs D had originally said).

While Mrs D originally asked for Aviva to reimburse the cost of her surveyor and builder (both in her complaint to them and to this service) it appears the cost has subsequently been covered under her home insurance policy. As another insurance policy has covered the cost, it wouldn't be reasonable for it to be borne by Aviva. But while the cost has been covered, she's had to pay the policy excess (£250) and will have a claim recorded under the policy. As I think Aviva's engineers should have correctly diagnosed the leak as coming from the kitchen, then I've concluded it's reasonable for them to put Mrs D in the position she would have been had that happened.

To do this, I think it's fair and reasonable to pay the policy excess (£250). While the impact on future premiums of a claim being made against her home insurance policy can't readily be quantified (future premiums will depend on a range of factors as well as a claim having been made) it's likely, all other things being equal, to lead to an increase. In the circumstances, I think £200 is reasonable. I also think Aviva's offer of compensation for the inconvenience suffered by Mrs D is reasonable.

My final decision

For the reasons set out above, my final decision is that I uphold Mrs D's complaint. I require Aviva Insurance Limited to pay Mrs D:

- £150 in compensation for distress and inconvenience.
- £250 in respect of the excess she's paid under the claim on her home insurance policy.
- £200 in respect of the likely future increase in her home insurance premiums.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 15 June 2022.

Paul King
Ombudsman